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Wiegand, Conrad

An appeal to the press and
legislatures of the...

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AN APPEAL

TO THE

PRESS AND LEGISLATURES

OF THE CIVILIZED WORLD,

SHOWING

Monetization of Silver

TO BE

A NEED OF MANKIND;

SHOWING ALSO THAT

Legal Tender Silver Notes,

IF ORDAINED RECEIVABLE FOR A SMALL PER CENT. OF CUSTOMS,

WILL RAISE THE GREENBACK TO PAR WITH GOLD.

BEING A LETTER OF

CONRAD WIEGAND,

Formerly Assayer U.S. Mint at San Francisco

Reprinted from the Virginia City "Enterprise," of April 23d, 1876.

PLEASE NOTICE.

To the Press of the English-speaking world, and to Statesmanship in America, Britain, Germany, France, Russia, Italy, India and Japan.

This pamphlet is respectfully addressed. Its author has no time to correct its crudity. To make it complete would make it a volume.

It is a mere midnight-written newspaper article, which appeared in the DAILY TERRITORIAL ENTERPRISE, published at Virginia City, State of Nevada, a part of the Great Republic of the People in America. In part, the editorial reference explains why it is issued as a pamphlet. This introductory note is meant to explain the rest. And lest neighboring political aspirants for office should see herein proof of an itch for public post, I disavow it. I believe I can be more useful in life by attending carefully to my private business, (and when occasion may seem to call for it, submitting suggestions to the public) than by going into any public post. The present seems a time for non-aspirants for office to break silence, and besides that earnestly to toil that an impending peril to mankind may be averted,—for **HALF THE SOLID MONEY CIVILIZATION OWNS IS THREATENED WITH DESTRUCTION.**

It has more than once happened, that light import duties at the American Custom House on certain manufactured goods, has caused suffering among the operatives in American factories where such goods were made, first by reducing their wages, and finally by throwing them out of work altogether. But that has usually been a minor evil compared with the drain of specie which ensues to pay balances due abroad for imports which press in, and which are bought universally because so cheap while good. So doing spreads the distress of the *special* avocations into *all* industries and mercantile pursuits.

At such times, however, business depression in America is accompanied with commercial and industrial activity abroad, as logically should be the case. At the present time, however, the newspapers declare, that *simultaneously in all lands* industry and commerce are depressed; and the fact is spoken of as though a thing inexplicable. The following article shows it is not. It is what we should expect in view of a silver lunacy which has been spreading throughout the money world since 1871. Far worse things must be anticipated if this disorder cannot be abated, as only it can be by the diffusion of correct views.

This pamphlet is an attempt to provoke such discussion as will lead to study, and ultimately to wise legislation, not only in America, but in other lands. The writer hopes his simple but earnest attempt to *effect* a result may be looked on at least leniently by those who may receive gratuitous copies of his pamphlet, and that some one better prepared by study, works of reference and time to spare, may better do what he has simply undertaken, in the hope that he might be useful to Virginia City and the whole Pacific Coast of his native land, as well as confer a larger good to America as a nation, especially as such good to the Republic of the People must result in wider benefit to all mankind, now and in years to come.

CONRAD WIEGAND.

SILVER

— AND —

THE MONEY PROBLEM.

SILVER FOR AMERICAN MONEY.

On our first page will be found an elaborate discussion of the silver question by our townsman, Mr. Conrad Wiegand, elicited by request. It is full of facts and more full of reflection. Mr. Wiegand understands his subject thoroughly. If his tone in writing seems positive, as a man he is diffident to a fault. We only regret the impossibility of his saying all he has to say in fewer words, but his columns will be read with the interest their importance merits. His sentences, too, are so long that we fear trained minds only will enjoy their perusal, but more than any man or woman in the city is he

sensible of his defects as a writer. Though we fear he cannot write for the people, we deem him well fitted to suggest thoughts to the people's teachers. He desires us to explain that the length of this article is due to the fact that of necessity it has been prepared at hours when the city has slept, and he could not take time to condense. We feel that too many of us are sleeping always, and we only wish his views, carefully compacted, could be printed in pamphlet form and sent not merely to every Congressman, but to every newspaper in America and Europe. They would do good.

An Elaborate Essay on the Subject of Silver—Its Status Among the Nations—Its Need to the Commerce and Industry of the United States—Its Worth as a Standard of Values—The Wrongs Worked by Degrading it to Simply an Article of Merchandise—Recognition of Former Papers by Conrad Wiegand, Formerly Assayer of United States Mint at San Francisco, California.

THE SILVER QUESTION STATED.

EDITOR ENTERPRISE: You wish a restatement of the views I have recently submitted to the public in one and another journal on the silver question. In responding I deem it better to modify just so much as reflection while writing has advanced my views, rather than to be quite consistent with previous positions. My inquiry is, not what is orthodox with accepted writers, but what is true in theory and possible of attainment in practice, which ordained by law will prove helpful to silver mining as an industry and as an investment; to the American people as a nation, to the commercial world viewed as an interested blend, fraternity embracing all peoples, and to mankind viewed as a vast family vitally affected for weal or woe by the great instrument of civilization—Money. I do not ask in view of the discount on silver and the legislation of foreign nations as affect-

ing it what congressional action should be taken solely to secure a solid future to the mining industry of Nevada, nor yet to save from destruction the vast property interests in silver-mining stocks, whether held in San Francisco, London, New York, Chicago, Virginia City, or elsewhere either in Europe or America; neither solely to prevent the virtual robbery of creditors (and those receiving salaries and wages) by payment of gold dues in specie dollars whose purchasing power is no greater than greenback dollars, nor chiefly to prevent that check of trade and legitimate profit which derangement of retail prices always results in through threatened hurt to the small consumer. But the question I do ask, is, what action, in view of the foreign, as well as home developments of the times, and in view of our suspension of specie payments as a nation, should Congress take on silver as money, which, while it shall secure on sound financial principles all the above important items, will at the same time restore the currency of the East equally with silver on the Pacific coast to a virtual equivalence with gold, without abolishing the greenback and without interference with the national banking system; while it will so far enlarge the volume of convenient specie money, on this coast especially, that interest will decline and the value of property, and especially of productive mining property and real estate contiguous will enhance?

— ARE YOU GOLDEN HOUR.

That, and nothing less—as it seems to me—is the practical problem for American statesmanship at the present hour. That conjunction of circumstances favorable to the harmonization

at hitherto discordant and exceptional interests, which occurs but rarely even in the life-time of nations, exists in America now, when to seize upon this golden opportunity for the reformation of silver is all the more important in a national point of view.

WE WENT TO LIBERTY OUR NATIONAL INTERESTS. As we very readily will be able, issuing gold bonds of low interest rate to redeem at maturity (or buy in advance) gold bonds bearing an oppressive interest rate, that any programme which will lessen gold interest abroad by making gold money there more plentiful should be looked on with especial favor at the present hour by every citizen of our whole country, whether the silver in which he has just now resides uses paper money or coin; and it should be hailed with joy by every man of business the civilized world over, when commercial failures are so numerous, and when so many more are crowded to the very verge of destruction by the virtual

ROBBERY OF THE WORLD

By the conversion from money into a mere commodity of \$30,000,000 of silver by Japan a few years since, \$500,000,000 by Germany but yesterday, \$200,000,000 by Holland lately, and \$50,000,000 now by Norway, Sweden and Denmark—a total of \$600,000,000—

WAS MOVED THE BASIS OF INTERNATIONALITY. The shipment of \$4,000,000 to \$6,000,000 from San Francisco to New York to take advantage of a rise in gold not only was a robbery of silver in stocks, but also of other matters it broke the Bank of California. The locking up of \$17,000,000 to \$25,000,000 of gold money in New York created a historic Black Friday. The conversion of \$60,000,000 from being money into being a mere commodity for money to buy and sell, in addition to doing money service for all other forms of property, can not fail to produce evils akin to the suspension of the Bank of California and the New York Black Friday. And if in view of the mad monetary movements of other nations we do not, alike by public indignation and by a more effective example, rebuke the failure of their measures, and prove by an onward march in wealth as marked as that of

FRANCE UNDER SILVER

If we do not so prove the adaptation of that metal to use as major money, yet other nations will follow the lead of France. In 1870 and the conversion of yet other hundreds of millions of specie money into mere merchandise will paralyze the commerce of the globe.

EXPECTATIONS WORK CATASTROPHICALLY.

The facts above adduced would seem simple seriously to depress silver, but when we bear in mind that "expectations have almost as much influence on the market as reality," and that the threatening distrust of the present time will be nothing in comparison with the depreciation which must ensue if

THE CLAMORS OF BRITISH RESIDENTS IN INDIA for gold as the currency of that country shall be heeded, their most being to save the discount on their remittances to England, without resorting to the very discount which so greatly oppresses them, has been caused by diminishing the uses of silver in the face of an enlarged production, the proper result of which, however, is the increased demand for and for an object which has receded drastically upon itself.

RELATIVE VALUATION OF GOLD AND SILVER.

In considering how the discount on silver may best be remedied, search for its causes discloses this fact: That the value of each coin of both gold and silver there is not uniform relative valuation between them. In Germany an ounce of gold is recently was coined to fifteen times as many thalers (or fifteen times

as much) money as an ounce of silver; in France a fifteen and a half times as much; in America formerly it was about sixteen times as much, recently, since the trade-dollar, to sixteen and a fourth times. It is plain, therefore, that when America goes to Germany to obtain the better metal to send in payment is silver, because gold can be converted into

MORE MONEY IN AMERICA THAN IN GERMANY OR FRANCE.

It is further apparent that if there were neither a tariff on silver, nor a legal tender provision, it would pay to send silver to Germany or France with which to buy gold, and with that to buy silver in America; always provided silver could be coined without limit in those two countries, in which case France, a concerned, is not true. That difference of legal valuation is one of the chief features which has caused fluctuation in the value of the two metals with reference to each other, and the great factor in the case has been the weight and bulk of silver, making it less portable for extensive payments than gold.

THE NOMINAL AND REAL STANDARD OF VALUES.

We shall presently see what is strictly to be understood by saying gold or silver is the constituted standard of value in any country, but in this connection it may be said that when both gold and silver are coined and obtained as legal money in any land, whichever of the two metals is for the most part commercially the cheaper itself becomes the practical standard of value, and is subject to the fluctuations of specie need to be made.

HOW SILVER DEMONETIZATION BEGAN.

The foregoing annoying fact and the desire of England obtain an undesigning standard of value led her in 1817 to abolish silver as a tender for the payment of debt, except for trifling amounts; and, to compel silver to answer the purposes of change in retail trade might be kept on hand, the weight of the silver coinage was made so much less than the nominal value of the coin that foreigners would not receive it at its face. The value it lacked in metal was made up in effect by keeping such coin scarce, so that they were really worth as use as much as their faces declared them. That was one method of guarding against a change of standard in value, but with a very simple one if it had not gone beyond England, it proved the unfeigned beginning of a demonetization of silver which threatened to imperil the world through interest to enrich the few who happen to own gold. The value of the metal of half its value unless demonetization shall be arrested before the decline has advanced much farther. In 1817, when America followed the example of England,

AND SILVER BEGAN TO DECLINE.

and more recently Germany, the Scandinavian States and the Netherlands, and with what result we already see in the case of the British Government. The British Government is being impelled to abolish silver as money in India, which imported silver will lose 50 per cent. at least of its present value.

HOW TO PREVENT A SHIFTING OF STANDARD.

A better remedy, but one not fully within the power of any single nation to obtain, would be an international agreement upon some fixed ratio of value between the metals, say 16 to 1, silver and by treaty each nation should bind itself to coin an ounce of gold into sixteen times as much value as an ounce of silver; and to obviate all cumbersome of silver, each nation could agree to store silver coin and issue money in exchange therefor, and a legal tender for debt. So doing, without limiting the amount of other goods as money, would constitute specie the standard of value throughout the world, and it would make it impossible in Germany, specie were silver or gold, the universal ordinance of a uniformity in the relative legal value

of gold and silver would accomplish the aim of England, and would not impoverish the world in that one form of specie money. It would be a greater abundance of which is needed to ameliorate the condition of mankind by cheapening interest.

TOO TARDY FOR A PRESENT RELIEF.

But as any such agreement, most obviously, could be reached only by years of negotiation and argument, whereas action is necessary now, we turn to the consideration of a remedy which each nation has fully within its power to ordain in self-defense.

AN ARBITRARY VALUATION OF SILVER.

Provided specie need to be sent abroad in payment of debt, an arbitrary valuation of silver in gold terms or of gold in silver terms would work no injustice to any one, and silver notes issued on silver coin stored would enable any nation conveniently to carry on business. And if the profit of buying gold with silver (or vice versa) should lead to the extinction of either metal, it would result in the importation of the other. The amount of money in the country would not be diminished. This leads us to inquire, is there any device possible under which specie would not need to go abroad?

AMERICA'S TRUE DEFENSE.

There is for America at least. When imports, fully apprised, and the country correctly valued, specie being ignored both ways, if the Treasury Department were required by law to issue no currency until the value of the present value of imports and exports should counter-balance each other, it is plain no specie need or could be exported.

PROTECT ALL EQUALLY IN MONEY.

The foregoing measure would be a protection not of any class interest, but of all the people in money; and it is plain that under such a system all the gold and silver produced in America would go not simply to enrich the country, as the production of copper, iron, cotton or sugar does (or as the production of gold and silver now does by securing us the profitable things bought with these metals), but we would be enriched in that one form of wealth most needful to progress—money; and interest would soon be low and (stably low), while industry would thrive; wages with property of all kinds would rise. Under such a system,

SILVER LEGAL-TENDER NOTES BEING ISSUED.

Both gold and silver would be legal tender without limit and obtained an unlimited tender for debt at any arbitrary relation deemed best, but one to which saving being the ratio in former times, it should be now and hereafter, or at least until we have paid our national debt. The price of silver at London could then no longer determine the price of silver in America. This is the remedy of all conceivable which, in my judgment, should be urged for Congressional adoption; but as there is special likelihood of the plan receiving even a serious consideration, I pass to show

THE NEXT BEST REMEDY

Is that in view of the attitude of the rest of the world and the low price of silver, even without a self-protecting, specie-protecting tariff, silver should be obtained, in connection with legal-tender silver notes, a legal tender for debt, including twenty to thirty per cent. of duties at the Custom-house.

Such a programme would very soon put the legal-tender silver Note at par with gold, and also raise greenbacks very nearly the same price, because it would attract all the silver of the world to America as rapidly as our gold (or other products) would attract the abundance of silver would soon lead to the redemption of the greenback in appreciated silver.

To make this whole subject clear, a few propositions will suffice.

WHAT REGULATES PRICE.

Price is universally regulated by the law of supply and demand. Though that influence which causes a determination of price by contending with supply is diffused over the whole globe, it is not so with demand. Demand—registers itself—at the chief market, or the particular commodity, he it cotton at Manchester, or sugar at London, or Hongkong or San Francisco. As silver has been made a mere commodity in England and America, in the absence of an unlimited Asiatic demand or home use for the metal, legitimate quotations of the price of silver are very easy. The price of British standard silver at London is the usual banker's basis for determining the price of silver in all other parts of the world. If we could at one moment, silver will not go to London to pay debts, provided it can be used anywhere in America for that purpose.

SAN FRANCISCO WILL GET SILVER NOTES.

So long as silver is ten per cent. discount even legal-tender silver notes will not more pass at their nominal value in San Francisco than other legal-tender notes do. But as they deviate under the scheme proposed to be used at every American Custom-house in part payment of customs they would possess a value over and above the greenback. The banks of San Francisco would therefore be correctly valued. They would be worth and send East for sale what would not be made at par with gold for import duty. The banks of London, under the present tariff more of such notes could be used than our money could be used. It is in this position possible for silver would be to coin it as a basis for these readily transportable notes, and no safer.

INVESTMENT FOR GOLD

Than that just named above could be made by the savings banks (other banks in the bay) than to buy silver bars for deposit at the American Mint, especially as the market price of silver, instead of longer being downward, would be upward. Competition for such bars would be anticipated and the price of silver (not mere silver coin) and silver mines and silver stocks, such as anticipation of the possible or a declining market has so long injured these immense interests of America and the broader interests of all mankind.

WAGES CARRY WITH THEM.

Such a disposition of silver would not only stop the world's white tide toward the East, but would also result in a new relief to the English market of its excessive store; and yet better, it would relieve silver-currency capitalists there of a serious silver nightmare which the centuries have produced. They would therefore find in silver in a measure protection from the ruinous effects of its simple appreciation would promise better than any other best. It is a very conservative policy that they could hope for by any other conceivable result. The price of silver would instantly appreciate the world over, and the demand for silver to manufacture continuing unobscured, would have the supply of silver on hand and held in hoard for virtual interest, the rise would be progressive. But a few months would elapse from the time of our adoption of such legislation as that hereinafter particularized till the quotation of silver at London would be fifty-nine times as high as above American par for silver compared with gold.

PAR FOR SILVER COIN.

As the purchasing power of silver coin (and yet more rapidly of the silver note) would increase, and the price of the world's goods, and even before the American par were reached at London, competition among retailers would be made, and silver would be worth more than silver is pure money. Signs with silver boards and letters of gold would blare out, "Still

account both ways. If that fails to equalize, at the end of another month add a second twenty per cent., and so on till the equilibrium be reached, when the extra percentages should be lightened as gradually as they increased.

9. Announce in successive years the green-back \$1, \$2 and other notes payable in silver, till all should have been made redeemable.

10. Establish by treaty with England, France and Germany an international clearing-house system, so that, without vainly seeking to have any nation change the weight and fineness of the gold and silver coin which represents its chief money term or unit for accounts, international clearing-house gold and silver notes would make it needless for either nation to melt the costly coinage of the other, thereby preventing the Mints of the world from coining virgin gold and silver to their full capacity;

and at the same time, that the fluctuation in price between the two metals may be reduced to a minimum, let negotiations be made to secure a uniform *relative* valuation of gold and silver by the coinage of the civilized nations of the globe.

Such a programme would be worthy of America and the statesmanship of the century. A portion of it need not be acted on now, but this Congress should not be suffered to adjourn till items 1 to 7 had been enacted into law. But the attempt to blot out of existence as money two-thirds of all the money in existence is a barbarism compared with which the destruction by fire, or by impenetrable environment, of London, Paris, Berlin, St. Petersburg and Washington all combined would be a circumstance of trifling account. Very respectfully,

CONRAD WIEGAND.

Read carefully and circulate.

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